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C O N F I D E N T I A L TEGUCIGALPA 002256

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STATE FOR WHA/PPC PUCETTI AND DRL/IL MITTELHAUSER
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STATE PASS USAID FOR LAC/RSD: BARRY MACDONALD
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TAGS: [ELAB](#) [ETRD](#) [EAID](#) [ECON](#) [PGOV](#) [HO](#)
SUBJECT: LABOR MINISTRY SEEMS INCAPABLE OF DEALING WITH
LABOR ISSUES

REF: STATE 178055

Classified By: Political Counselor Alexander Margulies. Reason: 1.4(d)

¶1. (U) SUMMARY: Labor Minister Rixi Moncada Godoy, in an 11/8 meeting with Laboff to discuss CAFTA compliance, essentially sought to slough off responsibility for getting recalcitrant companies to permit labor inspections, arguing that the Embassy should somehow pressure them to admit inspectors. The Minister seems to be focusing her attention on the plight of returning deportees, freelance lobster/shrimp divers and child labor in melon-picking, again hoping that assistance and/or pressure from foreign assistance sources and foreign companies can help resolve problems she herself is at a loss how to address. END SUMMARY.

¶2. (U) Laboff met with Minister of Labor and Social Security Rixi Moncada on 11/8, to review CAFTA compliance and the status of labor rights, identify candidates for an upcoming training seminar, and review Secstate's recent strategy session on women's empowerment (Reftel). With respect to compliance with CAFTA's Labor Chapter, Moncada said that she interpreted this as meaning ensuring compliance with existing laws. She said that a large number of companies prohibit inspectors from entering their premises or demand advance notification, adding that her Ministry will be compiling a list of non-compliant companies. She seemed to be at a loss as to how to get these companies to comply with inspection requirements other than to suggest that the U.S. Embassy could pressure companies involved in exports. (COMMENT: Under Honduran law, companies that resist inspections are only subject to fines of 200-5000 Lempiras (USD 11-265). The Labor Ministry has the authority to request judicial entry orders, along with police and prosecutor escorts, but does not do so as a rule. Nor is the Ministry pushing hard for labor code reforms to strengthen its authority and provide for harsher sanctions for violators. According to the U.S.-funded NGO Cumple y Gana, which helps DR-CAFTA countries implement their labor codes by providing equipment and training in inspections and conflict resolution, the Ministry prefers to deal with non-cooperative companies through dialogue and Cumple y Gana's assistance programs. END COMMENT.)

¶3. (U) Moncada's chief concern at present is helping to re-integrate returning deportees into Honduran society. She observed that in the last two years there have been around 81,000 such returnees, who often try as many as four times to

get to the U.S. Up until now, the Honduran Government has provided them basic needs such as food, shelter, psychological counseling, and money to return to their homes.

Now the Minister wants to take the next step by helping them get jobs in micro businesses and in rural areas under a program called "PACTA" in their communities. She hopes that funds for this program will be provided by the European Commission's ILO office in San Jose.

14. (U) The Minister proudly pointed to the complete renovation of the Ministry's regional office in Choluca (funded by a Spanish NGO), which was undertaken to prepare for increased workers' needs in anticipation of the opening of a new USD 30 million industrial park there. She then complained about the dangerous working conditions of shrimp and lobster divers who work as independent contractors for middlemen, are not provided with adequate safety equipment and protection, and whose dangerous working conditions often lead to serious disabilities and death. (COMMENT: Although SOUTHCOM is providing a barometric chamber on the coast at Barra de Caratasca, which may help alleviate some concerns over dangerous work practices, it would by no means address other dangerous work conditions such as poor training and equipment maintenance about which the Ministry of Labor has legitimate concerns. END COMMENT.) Moncada also lamented the problem of under-age children working in the melon industry, suggesting that enlisting the support of foreign shellfish and fruit buyers could help resolve both problems.

15. (C) In a subsequent meeting on November 28 between the Honduran Director of Cumple y Gana, Mirta Maradiaga de Bueso, and Laboff, the Director complained that the Ministry's Inspector General, Oscar Cruz, was reluctant to implement an electronic inspection system, is delaying the printing of an inspection manual, and refuses to send company owners a

self-evaluation checklist which she believes would raise awareness of labor standards and help companies comply on their own. She said that all the other DR-CAFTA countries have begun using this checklist. She also commented that he is not technologically oriented and does not plan or organize well. As a result, Cumple y Gana prefers to work with his Deputy, Sub Inspector General Donaldo Martinez, and has decided to work directly with the regional director of San Pedro Sula (the industrial center of the country), Lucia Rosales, as well as some of the other regional offices instead of with the Ministry's headquarters in Tegucigalpa. De Bueso added that the Minister wants to reopen the regional office in Roatan, which Congress just approved as a duty free zone, where it could share office space with the Honduran post office, and is strengthening the regional office in Ceiba with assistance from Cumple y Gana.

16. (C) COMMENT: While Moncada appears genuinely concerned about problems in the labor situation in Honduras, she has shown no/no sign of having the capability or will to address the shortfalls in this area. Instead of seeking to strengthen the Ministry's authority and increase sanctions to deter non-compliant companies and facilitate inspections (thereby antagonizing powerful economic and political interests), the Minister has been content to lament existing conditions and hope that foreign donors or companies can somehow help resolve them. End Comment.

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